

NOTICE TO PROVIDERS OF PROFESSIONAL SERVICES
FOR
ECONOMISTS, CHEMICAL ENGINEERS AND FINANCE ANALYSTS
Solicitation no. SID-PS-02-13-01

The Department of Business, Economic Development, and Tourism anticipates the need to engage the following professional services from Economists GS-0110, Chemical Engineers GS-893, or Finance Analyst GS-1160. Professional services may be provided by occupation series contained in the U.S. Office of Personnel Management's (OPM) Qualifications Handbook for Administrative and Management Positions. This solicitation will be for a multi-term contract, with the initial funding available to be approximately \$95,000 through FY 13, and may be funded up to \$350,000 through FY 14, subject to appropriation and availability of funds. The period of performance for this contract shall be 18 months with one 6 month extension, based on funding availability.

Under the requirements of Section 103D-304 HRS, the Director of the Department of Business, Economic Development, and Tourism is authorized to invite interested individuals or firms engaged in providing professional services for inclusion on a list of professionals to be considered for this project. Projects under this Professional Services contract will be funded, in whole or in part, with funds appropriated by federal and other funds. Full details of this solicitation may be accessed on the State Procurement Office website via the following URL: <http://hawaii.gov/spo> > Toolbox/QuickLinks on the right side of page >For Vendors, Contractors & Service Providers >Opportunities to Compete for Contracts> Procurement Notices for Solicitations> Procurement Notices for Solicitations; click on link to procurement notices for solicitations, requests for interest/information, etc. >[Define Your Search] > Select an Agency: Department of Business, Economic Development and Tourism>Category: Professional Services (Leave all other boxes blank)> click on "Search">More Info>View Solicitation Information.

The publish date for this solicitation is a Wednesday, February 20, 2013. Submittal Deadline is 11:00 a.m. (HST) Wednesday, March 6, 2013 (see SUBMITTAL REQUIREMENTS).

SCOPE OF WORK:

The Contractor(s) scope of work may include, but not be limited to the following economic analyses:

TASK A. Assessing the impacts to changes in Hawaii's refining capacity.

This will include but not be limited to assessing:

1. Petroleum product supply and demand for Hawaii, and the existing infrastructure for fuels supply and distribution that supports Hawaii's fuels ecosystem.
2. Potential market disruptions facing the State associated with changes in the State's refining capacity and ownership.

TASK B. Provide specific measures, alternatives, and actions that the Governor and Hawaii Legislature should consider in order for a future fuels ecosystem to maintain adequate and affordable fuel supplies to meet the State's energy needs.

Key Objectives Served by this Task:

Low and Stable Energy Prices - Although the outcome of a comprehensive review cannot be predicted, a clear objective will be to ensure that the overall regulatory framework continues to serve Hawaii's petroleum consumers with the lowest possible prices, while maintaining reasonable margins for the petroleum industry supplying the market.

Effective Policy Framework - A comprehensive review of the petroleum market may include recommendations for policies or regulatory frameworks that result in greater effectiveness for Hawaii's evolving petroleum market. This shall include but not be limited to:

1. Reviewing and recommending options for regulated or non-regulated petroleum product and other liquid fuel imports and import and distribution structures for the purpose of achieving the objectives of petroleum price stability, while ensuring the lowest possible price to the consumer without jeopardizing the continuity of supply.
2. Analyzing the impacts of the current and recommended petroleum product distribution and pricing framework on:
 - a. Hawaii GDP and inflation.
 - b. Tourism.
 - c. Energy utilities and utility rates.
 - d. Military
 - e. Energy security.

Background for this Task:

The Hawaii petroleum market has been affected by a number of events, most significantly and recently the announcement by Tesoro Corporation to cease refinery operations during the second quarter of 2013 and begin operations as a petroleum product terminal. This may further exacerbate Hawaii's vulnerability to volatile prices for petroleum products. With drastically changing petroleum market conditions, it is urgent that a fuel distribution and price structure, including options for policies and frameworks to ensure competition, be examined in serving Hawaii's energy and economic objectives in the short and long term. The desired outcome is a predictable, reliable and cost-efficient market for long term petroleum product delivery, distribution and pricing consistent with existing State energy and economic policies.

TASK C. Reports: Provide project narrative, technical, special, and financial status reports, as appropriate, in a format approved by STATE on a weekly, monthly, quarterly, semi-annual, or annual basis as determined by STATE in a format determined by STATE. All reports shall be submitted in hard copy and electronic copy, preferably MS Word or Excel.

1. Interim report by September 30, 2013.
2. Short term findings and recommendations shall be provided to DBEDT Hawaii State Energy Office within 60 days of a refinery closure on the immediate impacts and effects of the closure.

3. Long-term findings and recommendations shall include a plan that considers the possibility of a Hawaii without refineries and set a course for the State's energy and fuel future by considering renewable and alternative energies. Final report no later than the last day of 2014 Legislative Session (May 2014).

SUBMITTAL REQUIREMENTS

Expressions of Interest from individuals or firms who wish to be considered in the selection for these projects, along with the information requested in items 1 through 8 below, must be received by Wednesday, March 6, 2013, 11:00 a.m. (HST) at:

Department of Business, Economic Development and Tourism
Strategic Industries Division
Attn: Susan Gray-Ellis
235 S. Beretania St., Room 502
Honolulu, HI 96813

NOTE: Fax or electronic transmittals will not be accepted.

1. INTENT TO APPLY – Send a separate email to sgray-ellis@dbedt.hawaii.gov with your intent to apply for this solicitation. Your contact information should include the name of your company, the contact person, phone number, and email address for notification of any addenda or additional advertisements, if necessary. **(Mandatory)**
2. EXPRESSION OF INTEREST – Submit an original, signed letter stating an expression of interest in this project (original + 3 copies + 1 CD with PDF file). **(Mandatory)**
3. CIP DPW FORM 120 – Submit the completed CIP DPW Form 120 (Revised 6/99) (original + 3 copies + 1 CD with PDF file). The CIP DPW Form may be downloaded from www.hawaii.gov/forms. Click on the "Public Forms" tab, then from the list of forms in alpha order, scroll to "CIP DPW-120 Questionnaire for Architects, Engineers & Other Professional Services", click to download form. **(Mandatory)**
4. STATEMENT OF QUALIFICATIONS – Statement of qualifications (SOQ) for each discipline listed in the first paragraph of the notice to professionals, highlighting the firm's qualifications, expertise and experience (original + 3 copies + 1 CD with PDF file). SOQ must list licensed or certified personnel in each discipline. Limit SOQ write-up to five (5) pages. Include approach, work plan, and proposed budget in Appendix. Additional material in support of the evaluation criteria may be included as an Appendix to the Statement of Qualifications and clearly marked Appendix. **(Mandatory)**
5. PROOF OF INSURANCE: **(Mandatory upon award)**

- a. General liability with limits of not less than \$500,000 per occurrence and \$1,000,000 aggregate. The STATE shall be named as additional insured.
- b. Automobile liability insurance with limits of not less than \$1,000,000 per accident, \$1,000,000 per person and \$1,000,000 per property damage.
- c. HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation) 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award:

Pursuant to §103D-310(c), HRS, successful Offeror shall be required to submit an approved certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the purchasing agency. The certificate of vendor compliance shall be obtained on the State of Hawaii, DLIR *APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-112, HAR*, Form LIR#27 which is required through Hawaii Compliance Express.

- e. Contractor(s) shall agree to a Waiver of Subrogation for each required policy herein. When required by the insurer, or should a policy condition not permit Contractor(s) to enter into a pre-loss agreement to waive subrogation without an endorsement, the Contractor(s) shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent.

If a firm is not able to provide the above insurance certificates at this time, a letter from an insurance company, stating they will insure the firm, if selected, for the insurance policies and the amount of minimum coverage required above, will be accepted as proof of insurance.

- 6. CONFLICT OF INTEREST - Statement indicating any conflicts of interest in performing services for DBEDT and/or the State of Hawaii. List membership on State boards, commissions, etc. Chapter 84 Hawaii Revised Statutes, or go to the Hawaii State Ethics Commission Web site at <http://hawaii.gov/ethics/>. Statement should indicate "None" if appropriate, (original + 3 copies + 1 CD with PDF file). **(Mandatory)**
- 7. QUALIFICATIONS QUESTIONNAIRE - Contractor shall submit a completed *Qualifications Questionnaire*, provided herein as Exhibit 1A (original + 3 copies + 1 CD with PDF file). **(Mandatory)**
- 8. CONTRACTOR REFERENCES - The names and phone numbers of up to three clients who may be contacted, including at least two for whom services were rendered during the preceding year. Complete Exhibit 2A (original + 3 copies + 1 CD with PDF file) Contractor

References **(Mandatory)**. Complete Subcontractor References, if applicable (original + 3 copies + 1 CD with PDF file, if applicable).

9. HAWAII COMPLIANCE EXPRESS - Award shall be contingent on vendor compliance with Hawaii Compliance Express. Non-compliance may be grounds to move on to the next responsible, responsive Offeror(s). **(Mandatory upon award)**
10. SUBMITTAL QUESTIONS - Questions regarding submittal requirements should be directed to Ms. Susan Gray-Ellis at (808) 587-9002 or email: sgray-ellis@dbedt.hawaii.gov.

EVALUATION

A review committee will evaluate SOQs received by the deadline to determine whether the Provider is qualified to provide the services described in the Scope of Services. Minimum qualification will be ranked on a pass/fail basis and shall be rated on the following qualifications:

Minimum Qualifications (MQs)

Economist GS-0110

Degree: Doctor of Philosophy (Ph.D.) in economics that included an undergraduate degree with at least 21 semester hours in economics and 3 semester hours in statistics, accounting, or calculus.

10-years of senior management experience in publishing economic analyses of the Asia/Pacific energy market sector. 5-years of experience conducting energy price analysis and energy forecasts to petro-chemical refinery owners and operators.

Chemical Engineer GS-893

Degree: Master of Science in chemical engineering. To be acceptable, the curriculum must: (1) be in a school of engineering with at least one curriculum accredited by the Accreditation Board for Engineering and Technology (ABET) as a professional engineering curriculum; or (2) include differential and integral calculus and courses (more advanced than first-year physics and chemistry) in five of the following seven areas of engineering science or physics: (a) statics, dynamics; (b) strength of materials (stress-strain relationships); (c) fluid mechanics, hydraulics; (d) thermodynamics; (e) electrical fields and circuits; (f) nature and properties of materials (relating particle and aggregate structure to properties); and (g) any other comparable area of fundamental engineering science or physics, such as optics, heat transfer, soil mechanics, or electronics.

Doctor of Philosophy (Ph.D.) in chemical engineering preferred.

Finance Analyst GS-1160

Undergraduate and Graduate Education: Major study -- finance, business administration, economics, accounting, insurance, engineering, mathematics, banking and credit, law, real estate operations, statistics, or other fields related to the position, such as agriculture, agricultural economics, farm, livestock or ranch management, or rural sociology.

Graduate Degree: Master of Business Administration (MBA) or Juris Doctorate (JD).

7-years of senior-level management experience in mergers and acquisitions.

Qualified Contractors will then be evaluated by a selection committee using the criteria attached.

Selection of professionals will be made in accordance with Section 103D-304, Hawaii Revised Statutes and Section 3-122-Subchapter 7, Hawaii Administrative Rules, as amended. The selection criteria employed in descending order of importance shall be:

1. Experience and professional qualifications relevant to the project type.
Note: Qualifications for this solicitation are specified in the CRITERIA SCORESHEET.
2. Past performance on projects of similar scope for public agencies or private industry.
3. Capacity to accomplish the work in the required time.
4. Any other criteria as determined by the selection committee to be relevant or necessary, including, but not limited to, approach, work plan, schedule, budget, and resume. Additional material in support of the evaluation criteria may be included as an Appendix to the Statement of Qualifications. Due to the nature of this project, DBEDT is seeking qualified Contractor(s) who can meet the unique needs of this project. In addition to the minimum qualifications as specified in the U.S. Office of Personnel Management's (OPM) Qualifications Handbook for Administrative and Management Positions, DBEDT has listed specific requirements necessary to accomplish the scope of work. Qualified Contractor(s) must state which profession they are applying for and clearly state on the SOQs which category they have previous experience:
 - Petroleum refining economics, barrel balance analysis, economic and strategic analysis, strategic planning studies, economic and feasibility studies, financial planning, economic and market segment impact analysis

- Extensive experience in oil producer/refinery mergers, reorganizations and acquisitions, refinery sales, facilities development, venture analysis and development, competitive evaluations, and refinery appraisals and fair market value analysis.
- Experience in refinery computer operations, process control, refinery evaluations, and application of refinery linear programs, crude oil marketing, pipelines, plant management, refinery startup, and design and operation of refinery and chemical processes.
- Knowledge of Tesoro and Chevron assets in Hawaii preferable.

To qualify for positions above on the basis of experience, the experience must have included either (a) responsibility for the direction and coordination of research, analysis, or other professional work or (b) specialized professional work involving a high level of difficulty and responsibility in one or more of the fields above.

GENERAL INFORMATION

As a condition of award of a contract for professional services over \$2,500, the selected contractor is required to register and submit a Certificate of Vendor Compliance obtained through the Hawaii Compliance Express.

1. **The Hawaii Compliance Express (HCE)**, allows businesses to register online through a simple interface at <http://vendors.ehawaii.gov/hce/splash/welcome.html>. The HCE provides you with a *"Certificate of Vendor Compliance"* with your current compliance status as of the issuance date. The certificate is acceptable for both contracting purposes and final payment. To use the new HCE services, you must pay an annual subscription fee of \$12.00 to the Hawaii Information Consortium, LLC (HIC). This fee may be renewed annually.

NOTE: The process to obtain the compliance documents may take two to four weeks. If the selected Provider(s) does/do not already have the compliance certificates, it is advised that they immediately apply to obtain the necessary compliance certificates. Non-compliance may be grounds to move on to the next responsible, responsive Offeror(s).

- 2 . Campaign contributions by State and County Contractors: Contractors are hereby notified of the applicability of Section 11-205.5, HRS, which states that campaign contributions are prohibited from specified State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. For more information, contact the Campaign Spending Commission at (808)586-0285 or go to their website at <http://www.hawaii.gov/campaign>.
3. Selection of professionals will be made in accordance with Section 103D-304, Hawaii Revised Statutes and Section 3-122-63, Subchapter 7, Hawaii Administrative Rules, as amended.
4. STATE reserves the right to cancel this solicitation, in whole or part, in the best interest of the STATE.
5. For any procedural questions regarding the submittal requirements, please contact Susan Gray-Ellis at ph. 587-9002 or email: sgray-ellis@dbedt.hawaii.gov

Richard C. Lim
Director
Department of Business, Economic Development and Tourism

(Internet Posting: February 20, 2013)

QUALIFICATIONS QUESTIONNAIRE

1. How many years has your organization been in business under your present business name?
2. How many years of experience in this field of work has your organization had?
3. Show what projects your organization has completed in the past five (5) years that are related to this project. Please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
4. Have you ever failed to complete any work awarded to you? If so, please provide a brief description, including when and where it took place and why work was not completed.
5. Has any officer or partner of your organization in the past five (5) years been an officer, partner or individual of some other organization that failed to complete a contract? If so, state name of individual, other organization and reason therefor.
6. For what entities within the State of Hawaii, other than government agencies, have you performed work and to whom do you refer work? Please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
7. For what State departments and county agencies of the State of Hawaii have you performed work and to whom do you refer work? Please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
8. Have you performed work for the U.S. Government? If so, please include project date, name of contracting entity & contact, project description, and contract amount (if possible).
9. Have you ever performed any work for any other governmental agencies outside the State of Hawaii? If so, please include project date, name of contracting entity & contact, project description, and contract amount (if possible)



Exhibit 2A

CONTRACTOR REFERENCES

To be completed by Offeror.

OFFEROR INFORMATION

1. Name of Offeror

2. RFP Reference Number

CLIENT #1 INFORMATION

3. Organization Name

4. Organization Address

5. Project Name

6. Project Dates

Start:

End:

7. Contact

. Name/Title

Phone

8. Scope of Services

CLIENT #2 INFORMATION

3. Organization Name

4. Organization Address

5. Project Name

6. Project Dates

Start:

End:

7. Contact

. Name/Title

Phone

8. Scope of Services

CLIENT #3 INFORMATION

3. Organization Name

4. Organization Address

5. Project Name

6. Project Dates

Start:

End:

7. Contact

. Name/Title

Phone

8. Scope of Services

9. Additional Comments



SUBCONTRACTOR REFERENCES (If applicable)

To be completed by Offeror.

OFFEROR INFORMATION

1. Name of Offeror

2. RFP Reference Number

SUBCONTRACTOR CLIENT #1 INFORMATION

3. Organization Name

4. Organization Address

5. Project Name

6. Project Dates

Start:

End:

7. Contact

. Name/Title

Phone

8. Scope of Services

SUBCONTRACTOR CLIENT #2 INFORMATION

3. Organization Name

4. Organization Address

5. Project Name

6. Project Dates

Start:

End:

7. Contact

. Name/Title

Phone

8. Scope of Services

SUBCONTRACTOR CLIENT #3 INFORMATION

3. Organization Name

4. Organization Address

5. Project Name

6. Project Dates

Start:

End:

7. Contact

. Name/Title

Phone

8. Scope of Services

9. Additional Comments

Selection Committee Criteria and Scoresheet

Criteria	Total Possible Points	Break-down	Score	Discussion
Experience/Professional qualifications relevant to development of Refinery Analysis and Scenarios	50			
a. Experience in petroleum refining economics, strategic analysis, strategic planning studies, economic and feasibility studies, financial planning		10		
b. Experience in refinery computer operations, process control, refinery evaluations, and application of refinery linear programs		15		
c. Experience in oil producer/refinery mergers, reorganizations and acquisitions, facilities development, venture analysis, refinery appraisals and fair market value analysis		20		
d. Experience developing scenario analysis and contingency plans for refinery shut down and liquidation		5		
Past performance on projects of similar scope for public agencies or private industry	25			
a. Examples of work plans, documentation, reports, manuals, etc. prepared for similar projects		5		
b. Number of years in business under current name; years of experience with similar projects		5		

c. Number of similar projects completed in past 5 years related to this submittal		5		
d. Positive client references from current clients		5		
e. No judgments and pending lawsuits		5		
Capacity to accomplish work in required time	15			
a. Work awarded but not completed		5		
b. Officer or partner involvement in work not completed		5		
c. Demonstrated ability to meet project objectives within budget and timeline		5		
Other Criteria	10			
a. Comprehensiveness of proposal, including overall strategy, work plan and schedule		5		
b. Identification of roles key team members play for specific tasks performed		5		
TOTAL POSSIBLE POINTS:	100	100		